Insurer Name: MERASTAR INSURANCE COMPANY

NAIC Number: 31968

Name of Advisory Organization Whose Filing You are Referencing N/A

Co. Affiliation to Advisory Organization: Member_____   Subscriber_____   Service Purchaser_____

Reference Filing #:_____   Proposed Effective Date: 12/01/2005 (New) 01/01/2006 (Renewal)

Contact Person: Jennifer Nei

Signature: _Jennifer Nei_

Telephone No: 423-296-7904

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
Private Passenger Auto							
Bodily Injury	+4.0%	-3.5%					
Property Damage	+4.9%	-3.5%					
No-Fault	+166.9%	-3.7%					
Medical Payments	+208.6%	-1.4%					
Comprehensive	-51.2%	-3.3%					
Collision	-39.5%	-3.3%					
Uninsured Motorist	+132.8%	0.0%					
TOTAL OVERALL EFFECT	-1.3%	-3.2%					

__N__   Apply Lost Cost Factors to Future Filings? (Y or N)

+5.7%   Estimated Maximum Rate Increase for any Arkansas Insured (%)

-9.8%   Estimated Maximum Rate Decrease for any Arkansas Insured (%)

Corresponds to Question 3 on RF-2 or RF-WC

Selected Provisions

Year	Policy Count	Rate Change History %	Rate Change History Eff. Date	5 Year History AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio
2000	704	+5.19	02/01/2001	238	345	1.452	0.861
2001	645	+7.99	06/15/2001	818	1249	1.528	0.997
2002	383	+9.10	05/15/2002	591	385	0.651	0.811
2003	51	+5.67	07/01/2003	154	25	0.164	0.770
2004	55	0.00	08/01/2004	93	46	0.495	0.712

A. Total Production Expense   7.7%

B. General Expense   13.0%

C. Taxes, License & Fees   4.0%

D. Underwriting Profit & Contingencies   2.0%

E. Other (explain)

F. TOTAL   26.7%